

STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR



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STATE OF THE STATE
GOVERNOR EARL RAY TOMBLIN

The State House
Charleston, West Virginia
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Mr. Speaker, Mr. President, Members of the Board of Public Works, Justices of the Supreme Court of Appeals, Members of the State Board of Education, Members of the Legislature, distinguished guests, and my fellow West Virginians:

In 1921, when architect Cass Gilbert drew the plans for our State Capitol, he put time and attention into every detail of this beautiful structure. He incorporated lavish trimmings of priceless gold, rare crystals, and strong Limestone to signify the “natural wealth found in the people of West Virginia.”

This “natural wealth” is visible in almost every inch of this capitol, including the house and senate chambers. Above our heads, you can see the bronze-colored plaster leaf arrangements representing West Virginia’s hardwoods. Also above, lining the frieze, you see eagles carved into the structure. The wings—symbolizing protection, are gathered and prepared to take flight. In the Senate Chamber, the eagles’ wings are rising – and in position – ready to take action.



Earl Ray Tomblin
35th Governor of West Virginia

Tonight, we come together to do the task the people of West Virginia expect of us: To prepare for our future by taking action. We should take action to keep our families safe. We should take action to create a business climate for good-paying jobs. And, we should take action to build upon opportunities for the next generation.

I'm excited about the state of our State. Working together, we've accomplished great things, and as I stand before you here this evening we are well-positioned to do so much more.

Tonight I present to you a plan—a plan to make this great State even greater for future generations. The plan I'm presenting is a strategy for making State government better and smarter. It's a plan to tackle some of our most critical issues. And, it will ensure our financial house remains in order and continues to keep us moving forward as we build upon our accomplishments.

During the last regular session, we took action that made West Virginia a safer, better place. Because of our work, texting while driving is now illegal and on July 1st talking on a hand-held phone while driving will be against the law. We've kept our promise to make eliminating substance abuse a top priority – and now – laws are on the books to shutdown “pill mills” and



Gov. Tomblin signs a bill that provides support to families with children with autism.

stop “doctor shopping.” We listened to our communities and invested in drug treatment programs – and we told those who need free job training that they must pass a drug test – first. We are building a registry online to help make our seniors safer and give West Virginia families the peace of mind they deserve when they are looking for a caregiver for a family member. We've lowered taxes for our families and our businesses. Taxes will go down by \$40 million this year alone. We told families of children with autism – and teens who were struggling with the

thought of suicide—you are important to us. And we dealt with our State's last unmanaged, unfunded liability, with the passage of the OPEB bill. Together, we put a plan in place to pay down this last unfunded liability.

Our State has worked hard to foster job creation by cultivating an environment where employers can offer good paying jobs. Our hard work is paying off. Last year, we celebrated as Gestamp, an \$8-billion dollar company, re-opened the South Charleston Stamping Plant. This international company is investing more than \$100 million in West Virginia and in the future of hundreds of workers, like Andrew Blatt.

Andrew is a 24-year old Cross Lanes native and an engineering graduate of West Virginia University Institute of Technology. Andrew is overseeing Gestamp's new \$22 million dollar laser cutting project. Tonight, I'm happy to be joined by Andrew and another Gestamp

employee David Underwood. David, along with all of us, is excited to see this South Charleston landmark revived again. Andrew and David, please stand and let us thank you for showing the world that West Virginia has an outstanding workforce, and that the Mountain State is an amazing place to do business.

West Virginia has created opportunities to welcome international companies like Gestamp by establishing clear rules and lowering the cost of doing business. And while we have achieved success, we have more work to do.

Too many people have stopped looking for work, and too many people are unemployed. Not only do we continue to feel the effects of a worldwide recession, but significant declines in the production of coal have battered West Virginia's economy. This, in turn, has resulted in declining tax revenues and employment.

As leaders of our State, we have a responsibility to fight for jobs, to foster job creation, and to be good stewards of taxpayer resources. We must continue to keep our taxes and cost of doing business low, and this is particularly true when times are tough.

It all starts with our obligation to adopt a budget for the State of West Virginia. Mr. Speaker, Mr. President, the budget I present to you is balanced, with no new taxes.

This time last year, we predicted a deficit that totaled nearly \$400 million. Staying true to the hallmark of our fiscal responsibility, my administration began the task of closing that shortfall. Unlike the federal government, we did not kick the can down the road by borrowing money or allowing deficits to mount. We told our agencies, almost a year ago, to do more with less. We challenged them to be smart, be efficient, and be prepared to cut their budgets. In tightening our belts, we realized that some of our programs and services should not face budget reductions.

The budget I present does not cut any scholarship programs, including the PROMISE Scholarship, and it does not cut state aid to our public schools.

Our budget does not take money away from mine safety programs. It does not cut Medicaid or the State Police. While we protected these services, we asked other areas in State government



Gov. Tomblin welcomes Gestamp to South Charleston.

to make a 7.5 percent targeted reduction, allowing us to cut over \$75 million from our State's budget, including over \$450,000 from my own budget in the Governor's Office. These reductions are not easy, but they are the right thing to do—for future generations.

In addition to these cuts, we examined our accounts in state government. We identified over \$135 million in unused monies that can be re-directed and used to meet our obligations in the coming year. While our economy recovers and revenues get back on track, I'm proposing we use these monies, along with almost \$140 million in accrued and expected surplus money, to balance the budget for next year.

Balancing our budget sends the right signal to businesses—that West Virginia is stable. But we must do more. We must continue to focus on job creation, lowering the cost of doing business, and eliminating inequities in our system. We also need to help our small businesses. As we know, sometimes it's simple fixes that make the biggest difference.

Under our law, employers are required to pay employees within 72 hours after leaving or face significant damages and lawsuits. Small businesses do not need the hassle of re-running payroll every time an employee moves on. Employers should be permitted more flexibility to pay these employees. It's a simple fix – but it's one that will make a big difference to our small businesses.

West Virginia also needs to identify and remediate land available for development. West Virginia has a strong history in manufacturing and mining, and a number of unused sites have great potential for future development. So tonight, I propose the State form a public non-profit corporation to identify, promote, and oversee programs that will foster economic development and environmental remediation. Working together, we can put these sites back to use in West Virginia.



Gov. Tomblin announces the creation of the Blue Ribbon Commission on Highways.

We also need to find innovative and creative ways to enhance our infrastructure. And while we have a Blue Ribbon Commission examining our road system, one thing I know we must do now is explore and foster public private partnerships to develop our roads.

In 2008, the Public-Private Partnership Act was passed and signed into law. The Act allowed the West Virginia Division of Highways to partner with a private company

on the design and construction of otherwise public transportation facilities. This current structure, however, has limited usefulness.

Tonight, I'm proposing legislation to make the Act permanent and streamline the approval requirements to allow the Commissioner of Highways the flexibility to enter into these public-private partnerships. This will allow us to take greater advantage of this innovative tool for the construction of infrastructure.

We cannot talk about jobs in West Virginia without talking about our energy sector—the long-standing foundation of our economy.

As one of the nation's top energy producing states, West Virginia shoulders a lot of the responsibility when it comes to fueling our State and our Nation. Together, members of our energy sector share this responsibility to increase energy independence. We are making the most of the opportunities associated with our abundant natural gas, and we are working with the private sector to take advantage of our natural gas resources by converting more vehicles to compressed natural gas.



Gov. Tomblin looks at a converted natural gas engine.

We also cannot forget an industry that has been an integral part of West Virginia—and that is our coal industry. This industry continues to enable West Virginia to be a national leader. The dedication of coal miners is the work that built our State and the work that sustains it. I believe in the production of coal, its value to our country, and I will continue to do everything that I can to fight the EPA and its misguided attempts to cripple this industry.

As important as the energy industry is to our economy in West Virginia, there is something more important, more important for our future, more important for our economy, and more important for creating good-paying jobs—and that is education.

I am from Chapmanville in Logan County, a coal town where hard work and long hours provided many families with good incomes. My parents saw to it that I received a great education in high school and at WVU and Marshall. I was the first person in my family to receive a college degree, and I know I would not be standing before you today without it. Every child in West Virginia deserves this same opportunity.

I want to speak to all parents in West Virginia tonight. You are the greatest cheerleader your child will ever have. Please take their education seriously and help them realize their potential—there is no greater force for educational achievement than a dedicated parent.

I will work with the Department of Education, the courts, and DHHR to coordinate our truancy reduction efforts—because every child should have an opportunity to achieve greatness.

The release of our Education Efficiency Audit has stirred discussion and reaction. We have studied every aspect of the audit and reviewed responses from our citizens, from community groups like A Vision Shared, the State Chamber of Commerce, and our valued teacher representatives. We have learned so much.

First, we learned that there are numerous good things about our education system. We have countless examples of not just good but great teachers in West Virginia. We have one of those teachers joining us here tonight from Hardy County. Michael Funkhouser, who teaches English in the Eastern Panhandle, is one of the great educators who works within our school system. Michael, please stand as we congratulate you on being named our 2013 West Virginia Teacher of the Year.

I also want to thank President Yogi Suzuki and Millie Marshall from West Virginia Toyota Motor Manufacturing and Fred Earley and Cathy McAlister from Highmark Blue Cross Blue Shield for your long-standing commitment of celebrating our West Virginia teachers. Please stand so we may thank you.

We also learned our State is full of bright children who want to learn. Earlier this year a first-grader from Pleasants County named Ben called my office—all on his own. Ben wanted to inform me about continued traffic delays between his home and school. Ben wanted to make sure I knew, and I quote, “First grade is a pretty big deal – and kids need to be on time for school. This isn’t kindergarten, you know.” Ben wanted to get to school, and get to school on time.

Just like Michael and Ben, there are other positive things we can say about our education system: like having an improved teacher evaluation program, high ranks for funding and equity, and a nationally recognized 4-year old preschool program.

Even with all the good things happening in our schools our student achievement is falling behind—and that is not acceptable.

Education Week, in its annual survey, Quality Counts, gave us an F for student achievement, ranking us 49th nationally. That is not acceptable.

The only true national test, the National Assessment of Educational Progress, ranks us below the national averages in 21 of 24 categories, and many of our scores have slipped lower over the past decade. That is not acceptable.

Our graduation rate is only 78 percent which means almost 1 in 4 high school students do not graduate on time. That is not acceptable.

We have the highest percentage of young people ages 16 to 19 not engaged in school or the workforce. That is not acceptable.

Education in West Virginia must change. And that change begins now.

This change must begin with our youngest children. Through the 3rd grade, children learn to



Gov. and First Lady Tomblin read 'Twas the Night Before Christmas to children at the Governor's Mansion as part of the Joyful Night celebration.

read. And after 3rd grade, children read to learn. If a child cannot read at grade level by the end of the 3rd grade, bad things happen. They will remain poor readers in high school, and they will be more likely to become high school dropouts. Thirty-five percent of children in poverty who aren't strong readers by the end of 3rd grade do not graduate on time. We can make sure every child can read at grade level by the end of the 3rd grade by:

First, working with our State Board of Education, we will ensure every new elementary

teacher is specially trained in reading. We also must make sure all current elementary teachers are prepared to helping all students learn to read.

Second, although our 4-year-old kindergarten program has high ratings, only 68 percent of eligible students attend. I will introduce legislation requiring every county, within 3 years, to offer full-day 4-year-old preschool.

Third, I will support the efforts of the Benedum Foundation to help establish a process for defining, once and for all, the components and costs of a quality "birth through 5 program".

And finally, because of declining federal dollars, we have a shortfall in childcare subsidies. Access to childcare not only assures young children receive quality early childhood development, but it helps parents keep their jobs. I believe in this program, and for that reason, I propose a supplemental appropriation of \$17 million to preserve the current program.

We want our youngest children to read on grade level by the end of the 3rd grade. But this is

just a start. We also are working hard to ensure every child who wants to attend college is prepared to do so—but not everyone is destined for college. In fact, many of the best-paying jobs now, and in the future, will require skills our vocational schools should provide.

We know most students who decide to drop out of school make the decision in middle school. They decide to drop out because they have not made a connection between their education and getting a job.

Most students learn best through real hands-on experiences—which is not what the current academic model offers.

There are a number of actions we can take to engage more of our students at an earlier age.

First, all students should be motivated to stay in school and be prepared for a good job. Workforce education should begin in middle school and more vocational training should be made available to students not planning to attend college.

Second, we need to make sure our students understand the opportunities available for good jobs in our State. Some of our largest employers tell me they want to meet with our students, and share with them what they need to do to be prepared to secure a good job. In order for our students to understand their opportunities, they should have access to counseling from our community and technical college staff and be engaged with employers who are prepared to hire qualified graduates.

Finally, quality vocational courses that prepare students to meet the high demands of today's job market must be a part of every school curriculum. To assure the needed quality, we must require every vocational school to have at least one program that meets the

rigorous requirements of the "Preparation for Tomorrow"

program of the Southern Regional Education Board. Whether it is Mechatronics in the Eastern Panhandle, Flooring in Central West Virginia, or Drilling in the Northern Panhandle, we will insist on quality certified programs.



Gov. Tomblin visits with employees at J.H. Fletcher & Co. in Huntington.

If our schools prepare students for college and a career, every graduate will be ready to go to

work in West Virginia.

More than two decades of research show the indisputable connection between teacher quality and student achievement. The overwhelming majority of our teachers do an outstanding job in their classrooms, but we must guarantee every student is taught by a great teacher. West Virginia is already blessed with almost 700 teachers who have earned National Board Certification in their areas of expertise and that number continues to grow.

Our State rewards teachers who seek and gain initial National Board Certification, but we do not provide the same rewards for those who re-apply at the end of their ten-year certification. That must change. And the State will pay for teachers who seek re-certification.

Education for our teachers does not end when they enter the classroom for the first time. Quality professional development for our classroom teachers must be provided on a continual basis. Governors and legislators have struggled over the years to make sense of our system of professional development for teachers.

The Education Audit found, and few would disagree, that our current system remains inefficient and ineffective. The State Board of Education should have the flexibility to oversee professional development. However, it should be delivered at the local level. Teachers should have a say because they know what critical skills they need to become successful in the classroom.

Good training and professional development are critical elements for having great teachers in our classrooms. But they are not the only ones. Current hiring practices in our State do not guarantee the best teacher is the one actually selected for the job. In fact, in many cases, it prevents otherwise good teachers even from qualifying for the job.

The State Board of Education currently is developing a new system of accreditation, so all schools will be held to higher standards.

If we are going to make schools more accountable for their results, we must give teachers and principals a greater role in selecting the colleagues with whom they will share that responsibility.

Our laws should require that superintendents give more credence to recommendations from principals and teachers about who they believe is best qualified to raise student achievement. In the end, it is not about the adults, it is about the kids.

Additionally, seniority always must be an important consideration, but seniority should not be the only decisive or controlling action of hiring practices. Other qualifications must count as well.

Finally, there are areas of critical need in West Virginia where qualified teachers are not available to hire, especially in the subjects of science, math and foreign languages. Where qualified teachers can be hired, there is no need for programs that provide these alternatives. But where we are unable to staff our schools with qualified teachers, we must make every effort to provide our students with the best possible teacher.

The Education Audit found no other State has so many laws that limit local initiatives including districts, principals, and teachers. There is no area where this is more pronounced than our school calendar. It has been the goal of Governors and Legislators for decades to assure our students have adequate instructional time. But it's just not happening. There are a number of reasons this does not occur, including the restrictions in State Code that provide little flexibility for school boards and communities to establish school calendars that meet their needs while guaranteeing adequate time.

As an example of the type of things we need to change in our Code, under current law, a snow day counts as an instructional day. We need to get back to a place of common sense in our approach to education. Otherwise, we will never get to an adequate level of instructional time. Instead, we will be stuck, like we were last year, where our students only averaged 170 days of instructional time.

Several schools in West Virginia already have addressed this problem by going to a balanced calendar. They have found students remember more, they have more time for enrichment and remediation, more opportunities to get a good meal, and teachers are less likely to become burned-out.

Let me be clear, my bill will not impose a new calendar on any school. It simply will free our local boards of education, in consultation with staff and the community, to design a calendar meeting the needs of adequate instructional time.

Beyond the school calendar, there are other issues we must consider. Over the past 30 years we have seen a 26 percent decrease in student population. I believe the community, especially parents, should always have access to locally elected officials who oversee their schools. But that does not mean we can and should provide all the current administrative overhead to each of our 55 county school boards. We must become more efficient.

Finally, we must have a comprehensive and consistent way to integrate technology and digital learning into our system. We must embrace opportunities like Project 24, an effort led by former Governor Bob Wise, that will enable our State to make the best use of technology to unleash our true potential. I am asking the State Board to embrace this opportunity.

During this legislative session, let's work together and take bold action so the next generation of West Virginians will have the passion, skills, and knowledge to change our world.

For over 40 years this country has wrestled with drug abuse. This is more than a social

problem, it's an economic problem. Too many people who can't pass a drug test go somewhere else—somewhere where they don't test—somewhere where it doesn't matter. They're running out of options and so are we. Building a workforce that is not only educated, but clean and sober is something only our people can do for themselves.

Beginning today, we will carry the message: If you get high, you won't get hired—Drugs aren't working. I've setup a website: FaceYourFutureWV.com. West Virginians who need help with substance abuse, we want to help.

Joining me tonight are Kenny Perdue with the AFL-CIO and Steve White with the Affiliated Construction Trades Foundation, who for the past 20 years have been strong advocates for a drug-free workforce. I'm also joined by Steve Roberts, President of the West Virginia Chamber of Commerce and Jan Vineyard with the Business and Industry Council. They are just a few within our labor and business communities who are showing their support for a drug free workforce. Please stand and be recognized for joining us in this fight.

We must continue to support our law enforcement officers and give them the tools they need to protect us, our families, and our communities. We know that driving under the influence of alcohol is a serious problem, but so is driving under the influence of drugs. Tonight, I'm proposing legislation to make it clear that officers have implied consent upon reasonable cause. When drivers who are under the influence of drugs are pulled over, they can be properly identified, tested, and removed from our roadways.



Gov. Tomblin reflects on the service of the state's law enforcement officers while visiting the West Virginia State Police Hall of Honor.

As governor, I'm fortunate to have the opportunity to witness firsthand the dedication that our law enforcement officers provide to the Mountain State and her people. This past year, the entire State of West Virginia grieved when we lost two beloved State Troopers. These two men lost their lives protecting us, and they will never be forgotten.

Tonight, we are joined by a hero – Deputy Sheriff John Westfall. As you all know, Deputy Westfall worked that tragic scene at the Wallback exit. John was injured, but he

is recovering, and it's my pleasure to have him and his wife, Emily here with us this evening. Deputy Westfall, on behalf of all West Virginians, please stand as we thank you and every other law enforcement officer in the State for keeping us safe.

John, we continue to pray for you, for the family of Corporal Marshall Bailey, for the family of Trooper Eric Workman, and for all men and women who serve in law enforcement.

Just a few months ago, many of us watched in shock when flames ripped through a community near Sissonville leaving houses leveled and a part of our highway charred when a major pipeline exploded. It was a true blessing no one was injured or killed. We have learned from that explosion and the investigation that followed, that West Virginia's pipeline safety statutes are outdated—with weak penalties and enforcement measures. In fact, West Virginia is currently out of compliance with federal guidelines.

Tonight, I am proposing legislation to bring our State into federal compliance. I propose a maximum penalty of up to \$200,000 per violation, per day. It is my hope by increasing penalties, we will meet federal standards and ensure overall public safety.

It's no secret that West Virginia's correctional system is overextended. Statistics now show the number of people in our prisons is increasing at three times the national average.

Last year, I brought together my colleagues in the Legislature, as well as judges, prosecutors, State and local leaders and research professionals as part of an effort to find a solution to our outdated and overcrowded prison system.

The Council of State Governments has succeeded in increasing public safety and reducing recidivism in states like Texas, Pennsylvania, and Ohio. I asked them to help me construct a plan—keeping public safety as our number one priority. What we learned was simple: substance abuse is a huge part of prison overcrowding, and the high re-offending rate intensifies the problem.

We must act now to address these challenges. We must work to increase public safety and reduce habitual offenders. Their recommendations are projected to save the State of West Virginia over \$116 million over the next six years while making West Virginia a safer place.

This past June we saw a storm like no other we'd ever experienced before. The derecho left a record 688,000 homes and businesses without electricity. Volunteer Fire Departments, 911 Centers, local officials, and the members of the West Virginia National Guard were there for us during those storms. And since the terrorist attack on September 11th, the West Virginia National Guard has deployed over 11,500 men and women overseas and we still have many members deployed today. These brave men and women continue to serve and protect. Tonight one of those soldiers is with us, Sargent Sara Yoke. Sargent Yoke was on a humanitarian mission to a village in Afghanistan where she and her fellow soldiers came under enemy fire. Because of Sara's bravery she received a Bronze Star and a Combat Action Badge for her service to our country. Please help me recognize Sargent Yoke, Adjutant General James Hoyer, the men and women of the West Virginia National Guard, and all veterans here tonight. Please stand and be recognized for your outstanding service to our nation.

West Virginia experienced an amazing and unforgettable year. It was not unlike our equally amazing and unforgettable history. The Mountain State was born during the national firestorm of civil strife; 150 years ago this year, West Virginia set out on its own journey, with hope and promise. We survived many challenges to get to where we are today—a place we call home. As we come together to celebrate our State's 150th anniversary on June 20th, let's celebrate our history knowing some of her best days lie ahead.

As Cass Gilbert's masterpiece rose on the Kanawha River testifying of an amazing breed of strong West Virginians, it also speaks of our remarkable past. And as Mr. Gilbert's final touches were put on this beautiful Capitol there was much debate about the inscription of words that would forever frame our hallways—and our philosophies.

In a letter Gilbert wrote to Governor William G. Conley dated, July 1, 1931, Gilbert wrote:

"I think we would all agree that the great factors of good government are wisdom, patriotism and diligence, and the most effective of these would be wisdom...I would prefer wisdom to knowledge, for one who is truly wise gets knowledge from others."

Let's again work together as we begin this legislative session and share these great factors of good government; wisdom, patriotism and diligence as we prepare and take action to move our great state forward.



West Virginia will celebrate its 150th anniversary on June 20, 2013.

Thank you, God bless you, God bless America and God bless the great State of West Virginia.

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